



# PLODZIK & SANDERSON

*Professional Association/Accountants & Auditors*

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## *INDEPENDENT AUDITOR'S REPORT*

To the Members of the Board of Selectmen  
Town of Alton  
Alton, New Hampshire

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Alton as of and for the fiscal year ended December 31, 2006, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Alton's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The government-wide statement of net assets does not include any of the Town's capital assets except for equipment and vehicles, nor the accumulated depreciation on those omitted assets, and the government-wide statement of activities does not include depreciation expense related to those assets. These amounts have not been determined. Therefore, in our opinion, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town of Alton at December 31, 2006, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Alton as of December 31, 2006, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, as of January 1, 2006, the Town has implemented a new financial reporting model, as required by the provisions of the Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

The budgetary comparison information is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town of Alton has not presented a management's discussion and analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Alton's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. They have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plodzik & Sanderson  
Professional Association*

September 27, 2007

**EXHIBIT A**  
**TOWN OF ALTON, NEW HAMPSHIRE**  
*Statement of Net Assets*  
*December 31, 2006*

	Governmental Activities
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,202,454
Investments	4,542,461
Receivables, net of allowances for uncollectible	1,206,769
Equipment and vehicles, net of accumulated depreciation	1,767,376
Total assets	<u>12,719,060</u>
<b>LIABILITIES</b>	
Accounts payable	12,183
Intergovernmental payable	3,678,030
Accrued interest payable	15,739
Unearned revenue	7,228
Noncurrent obligations:	
Due within one year:	
Note	20,873
Capital leases	63,568
Compensated absences	22,880
Accrued landfill postclosure care costs	20,000
Due in more than one year:	
Note	460,716
Capital leases	124,723
Compensated absences	205,918
Accrued landfill postclosure care costs	280,000
Total liabilities	<u>4,911,858</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	1,097,496
Restricted for perpetual care	1,975,703
Unrestricted	4,734,003
Total net assets	<u>\$ 7,807,202</u>

**EXHIBIT B**  
**TOWN OF ALTON, NEW HAMPSHIRE**  
*Statement of Activities*  
For the Fiscal Year Ended December 31, 2006

		Operating Revenues		Net (Expense)
		Charges	Operating	Revenue and
		for	Grants and	Changes in
	Expenses	Services	Contributions	Net Assets
Governmental activities:				
Functions:				
General government	\$ 2,064,771	\$ 270,622	\$ -	\$ (1,794,149)
Public safety	1,336,031	186,979	37,818	(1,111,234)
Highways and streets	1,003,671	-	267,426	(736,245)
Sanitation	493,350	83,844	-	(409,506)
Water distribution and treatment	242,140	313,288	-	71,148
Health	78,191	-	-	(78,191)
Welfare	59,057	-	-	(59,057)
Culture and recreation	263,993	23,810	-	(240,183)
Conservation	2,707	-	-	(2,707)
Interest on long-term debt	20,941	-	-	(20,941)
Capital outlay	1,009,220	-	-	(1,009,220)
Total governmental activities	<u>\$ 6,574,072</u>	<u>\$ 878,543</u>	<u>\$ 305,244</u>	<u>(5,390,285)</u>
General revenues:				
Taxes:				
Property				3,816,902
Other				286,727
Motor vehicle permit fees				1,038,081
Licenses and other fees				95,607
Grants and contributions not restricted to specific programs				224,871
Unrestricted investment earnings				68,550
Miscellaneous				209,853
Total general revenues				<u>5,740,591</u>
Change in net assets				350,306
Net assets, beginning				7,456,896
Net assets, ending				<u>\$ 7,807,202</u>